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HOUSE BILL 2401 By  
Rinks

SENATE BILL 2608  
By Cooper J

AN ACT to amend Tennessee Code Annotated, Title 47, Chapter 18, relative to gift certificates.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 18, is amended by adding the following as an appropriately designated new section:

(a) Except as provided in subsection (c), no person or entity shall sell a gift certificate to a purchaser containing an expiration date of less than twelve (12) months from the original date of sale. Any new gift certificate that is issued for all or a portion of the remainder of an original gift certificate that has been redeemed in part may have an expiration date of less than twelve (12) months from the date of issuance of the new certificate; provided, that any such new certificate shall contain an expiration date no earlier than the expiration date of the original gift certificate.

(b) Except as provided in subsection (c), a gift certificate sold without an expiration date is valid until redeemed or replaced.

(c) This section shall not apply to any of the following gift certificates, provided the expiration date appears in capital letters in at least 10-point font on the front of the gift certificate:

(1) Gift certificates with a cash value of one hundred dollars (\$100) or less.

(2) Gift certificates that are distributed by the issuer to a consumer pursuant to an awards, loyalty or promotional program.

(3) Gift certificates that are sold below face value at a volume discount to employers or to nonprofit and charitable organizations for fundraising purposes if the expiration date on those gift certificates is not more than thirty (30) days after the date of sale.

(4) Gift certificates that are issued for a food product.

(d) Any violation of this section shall constitute an unfair or deceptive act or practice affecting the conduct of any trade or commerce in violation of the Tennessee Consumer Protection Act of 1977 and shall be subject to the penalties and remedies provided in that act.

(e) This section shall apply to gift certificates originally issued on or after July 1, 2002.

SECTION 2. This act shall take effect on July 1, 2002, the public welfare requiring it.